

BLACKBERRY IR SUMMARY

September, 2015

BlackBerry Public

Investor_relations@blackberry.com



SERIOUS MOBILITY FOR SERIOUS BUSINESS

 **BlackBerry**

Public

SAFE HARBOR

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OUR VISION

A securely connected world.

OUR MISSION

To be the world's trusted and leading provider of technology platforms for secure connectivity.

OUR VALUE PROPOSITION

We deliver the most secure end-to-end mobility solutions to connect you to the 'things' and people you need.

A DIFFERENTIATED MOBILE COMPUTING EXPERIENCE

- Delivering the only end-to-end platform for mobile security



Secure Hardware
Passport, Classic, etc.



Secure OS
BlackBerry 10



Secure Software
BlackBerry Balance



Secure Network
BlackBerry Infrastructure



Secure Management
BES12



secusmart

Secure Voice
SecuSUITE



Secure Instant Messaging
BBM Protected, AtHoc



Secure Conferencing
BBM Meetings



Secure Text
SecuSUITE



WatchDox

Secure File Sharing
WatchDox

SERVING THE ENTIRE MARKET

- Taking our value proposition cross-platform



BBM cross-platform



Amazon App Store on BB10



Cross-platform EMM

Samsung Knox

Partner with Samsung to manage Samsung devices



Android for Work



CHACE



BTS / IoT



WorkLife

WatchDox

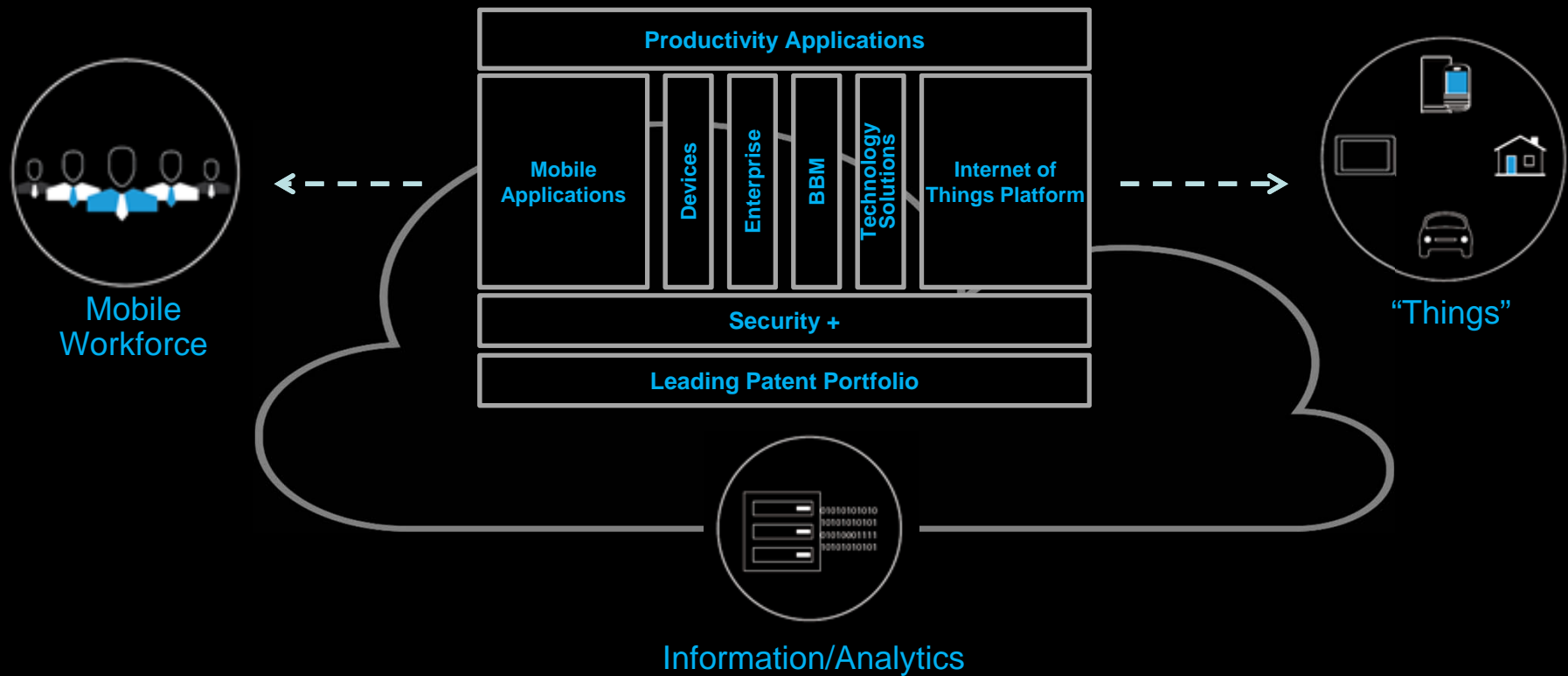
AtHoc

WatchDox

AtHoc

CONNECTING 'THINGS'

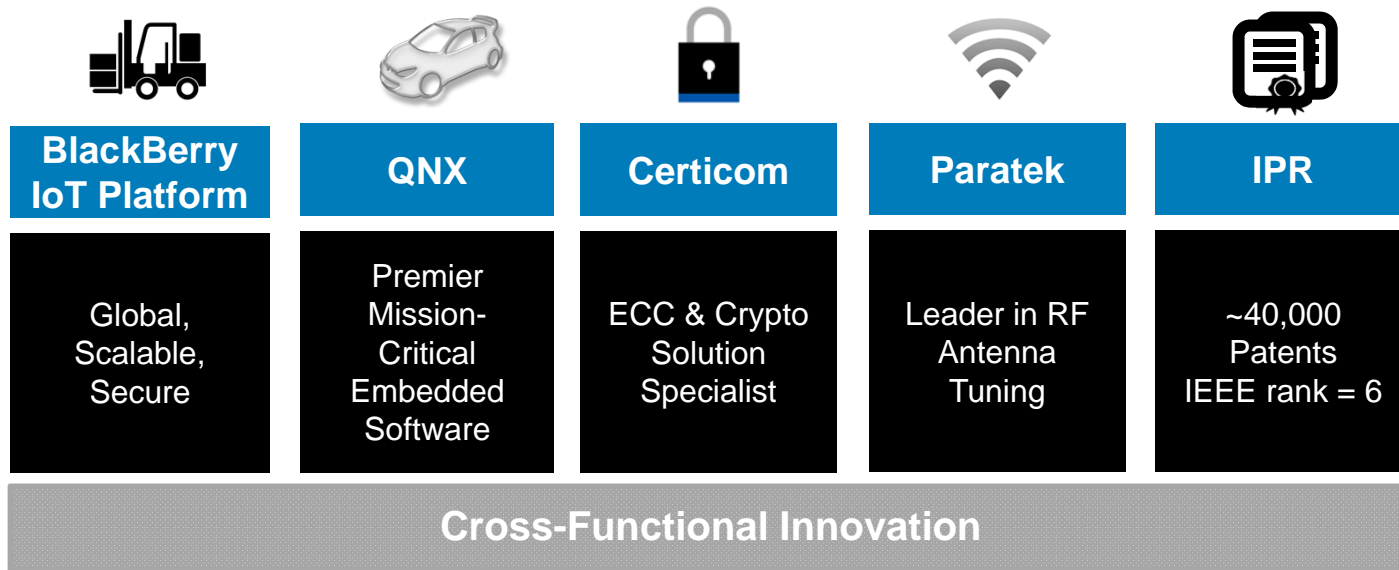
- Expanding beyond mobile to a world of endpoints



BLACKBERRY TECHNOLOGY SOLUTIONS

Technology Licensing Engine

- Addressing the global market for secure, reliable communications and embedded applications

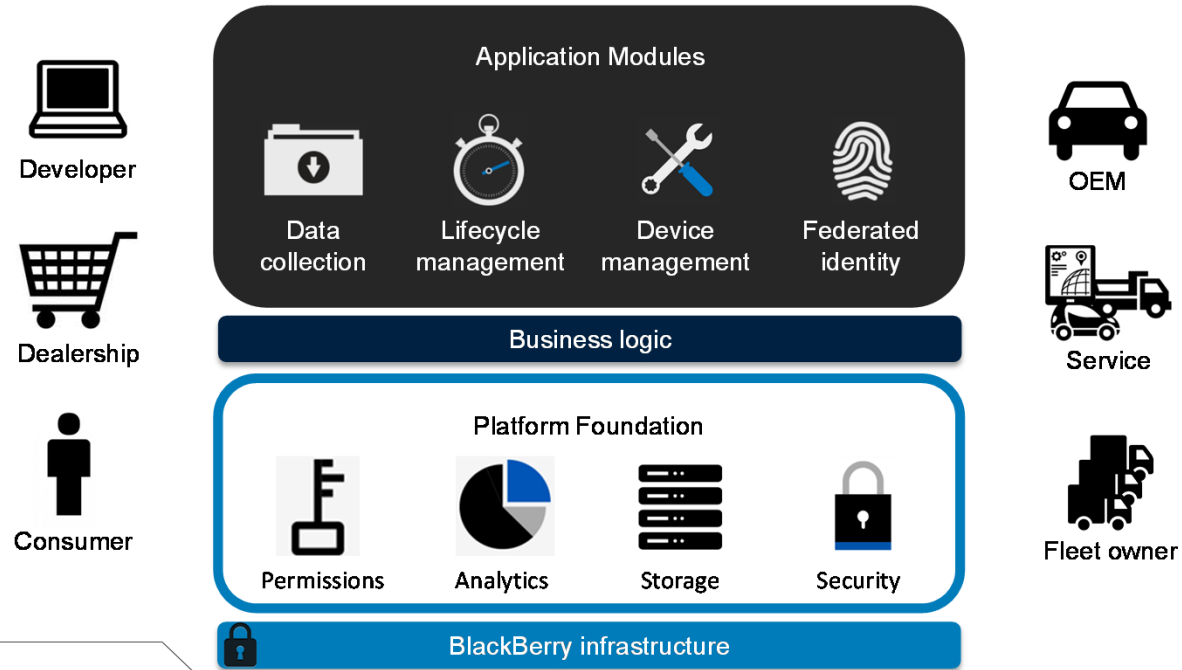


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THE BLACKBERRY IoT PLATFORM

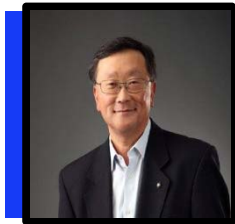
- Combines multiple BlackBerry assets to create solutions that manage and secure devices on the edge of the network



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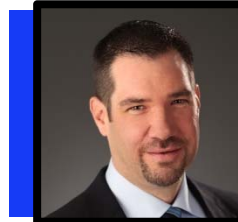
OUR MANAGEMENT TEAM



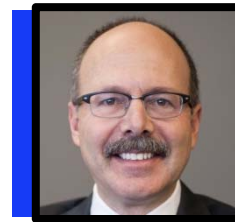
John Chen
Chief Executive Officer and Executive Chair



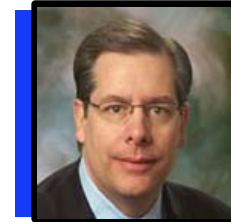
Marty Beard
Chief Operating Officer



James Yersh
Chief Financial Officer



Steve E. Zipperstein
Chief Legal Officer



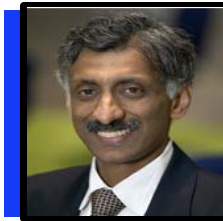
Carl Wiese
President, Global Sales



James Mackey
EVP, Corporate Development and Strategic Planning



Ron Louks
President, Devices and Emerging Solutions



Sandeep Chennakeshu
President, Technology Solutions



Billy Ho
EVP, Enterprise Products and VAS



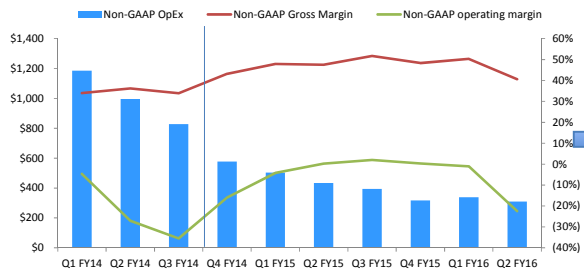
Nita White-Ivy
EVP, Human Resources

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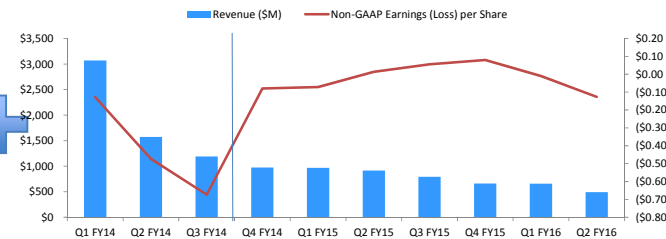


FINANCIAL HIGHLIGHTS

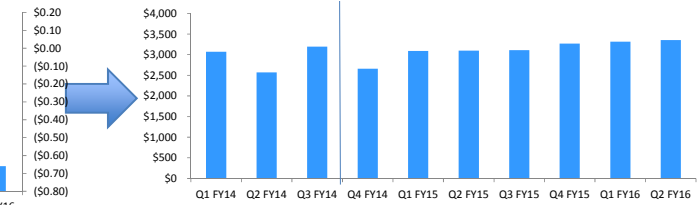
- Driving to non-GAAP profitability some time in FY16
- Expect positive free cash flow to continue



>50% reduction in non-GAAP OpEx



Tracking to sustainable profitability in Q4 FY16



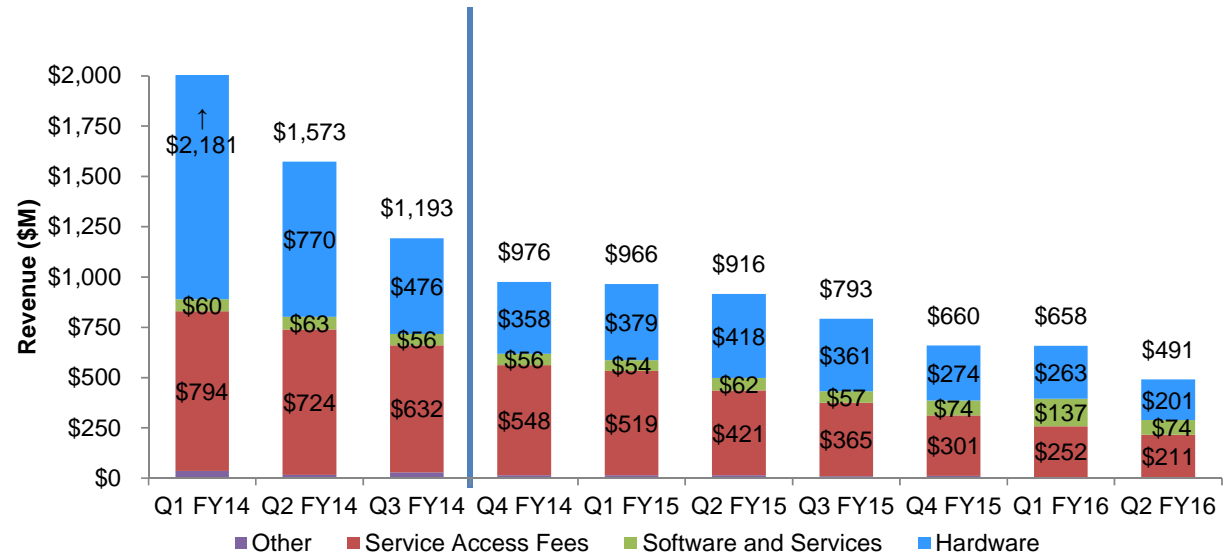
Cash flow improved, stable cash balance

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NON-GAAP REVENUE DETAILS

- Expected modest sequential revenue increases in each of the remaining quarters of FY16
- Expected software and technology revenue of about \$500M in FY16
- SAF declining ~15% sequentially

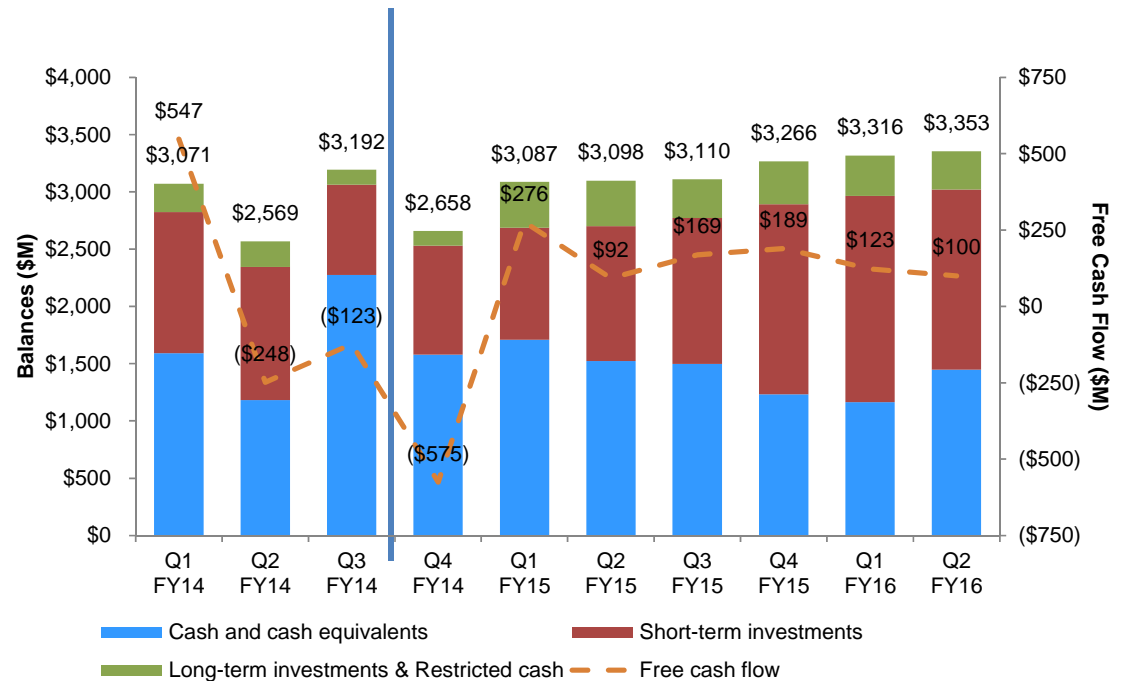


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FINANCIAL DISCIPLINE

- Cash balance of \$3.35B, an increase of \$37 million after using \$47 million for share repurchases
- 6th consecutive quarter of positive free cash flow (\$100M in Q2 FY16)
- In September, acquired AtHoc for \$250M and announced agreement to acquire Good Technologies for \$425M



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FINANCIALS



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 **BlackBerry**

Public

GAAP INCOME STATEMENT

GAAP Income Statement (Three Months Ended)

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
Software and Services	\$ 54	\$ 62	\$ 57	\$ 74	\$ 247	\$ 137	\$ 73
Hardware	379	418	361	274	1,432	263	201
Service Access Fees	519	421	365	301	1,606	252	211
Other	14	15	10	11	50	6	5
Revenue	966	916	793	660	3,335	658	490
Cost of Sales							
Cost of sales	502	491	365	311	1,669	329	301
Inventory write-down	23	7	24	41	95	21	4
Supply commitment charges (recovery)	(10)	(7)	(6)	(10)	(33)	(2)	-
Total cost of sales	515	491	383	342	1,731	348	305
Gross profit	451	425	410	318	1,604	310	185
Operating expenses							
Research and development	237	186	154	134	711	139	122
Selling, marketing and administration	400	195	171	172	938	174	191
Amortization	81	75	74	68	298	65	67
Debentures fair value adjustment	(287)	167	150	50	80	(157)	(228)
Total operating expenses	431	623	549	424	2,027	221	152
Operating income (loss)	20	(198)	(139)	(106)	(423)	89	33
Investment income (loss), net	(26)	(20)	(21)	105	38	(16)	(12)
Income (loss) before income taxes	(6)	(218)	(160)	(1)	(385)	73	21
Income taxes (recovery)	(29)	(11)	(12)	(29)	(81)	5	(30)
Net income (loss)	23	(207)	(148)	28	(304)	68	51
Earnings (loss) per share							
Basic earnings (loss) per share	\$ 0.04	\$ (0.39)	\$ (0.28)	\$ 0.05	\$ (0.58)	\$ 0.13	\$ 0.10
Diluted earnings (loss) per share	\$ (0.37)	\$ (0.39)	\$ (0.28)	\$ 0.05	\$ (0.58)	\$ (0.10)	\$ (0.24)
Weighted-average number of common shares outstanding (000's)							
Basic	526,742	527,218	528,090	528,685	527,684	529,235	526,314
Diluted	658,228	527,218	528,090	543,556	527,684	670,539	667,321

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NON-GAAP ADJUSTMENTS AND EBITDA

Non-GAAP adjustments (Pre-Tax)

Rockstar sale adjustment							
Debentures fair value adjustment							
CORE program charges							
RAP charges							
Software deferred revenue acquired							
Stock compensation expense							
Acquired intangibles amortization							
Total Non-GAAP adjustments (Pre-Tax)							

Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
\$ -	\$ -	\$ -	\$ (115)	\$ (115)	\$ -	\$ -
(287)	167	150	50	80	(157)	(228)
226	33	5	58	322	9	6
-	-	-	-	-	52	79
-	-	-	-	-	-	1
13	8	14	14	49	14	14
9	10	10	9	38	9	11
\$ (39)	\$ 218	\$ 179	\$ 16	\$ 374	\$ (73)	\$ (117)

Non-GAAP adjustments (After-Tax)

Rockstar sale adjustment						
Debentures fair value adjustment						
CORE program charges						
RAP charges						
Software deferred revenue acquired						
Stock compensation expense						
Acquired intangibles amortization						
Total Non-GAAP adjustments (After-Tax)						

Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
\$ -	\$ -	\$ -	\$ (115)	\$ (115)	\$ -	\$ -
(287)	167	150	50	80	(157)	(228)
204	29	4	57	294	9	6
-	-	-	-	-	52	79
-	-	-	-	-	-	1
13	8	14	14	49	14	14
9	10	10	9	38	9	11
\$ (61)	\$ 214	\$ 178	\$ 15	\$ 346	\$ (73)	\$ (117)

Non-GAAP gross profit

GAAP revenue						
Software deferred revenue acquired						
Non-GAAP revenue						
Total cost of sales						
Non-GAAP adjustments to cost of sales						
Non-GAAP gross profit						

Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
\$ 966	\$ 916	\$ 793	\$ 660	\$ 3,335	\$ 658	\$ 490
-	-	-	-	-	-	1
966	916	793	660	3,335	658	491
(515)	(491)	(383)	(342)	(1,731)	(348)	(305)
13	10	-	2	25	21	15
\$ 464	\$ 435	\$ 410	\$ 320	\$ 1,629	\$ 331	\$ 201

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NON-GAAP ADJUSTMENTS AND EBITDA (cont)

Adjusted EBITDA

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
GAAP operating income (loss)	\$ 20	\$ (198)	\$ (139)	\$ (106)	\$ (423)	\$ 89	\$ 33
Non-GAAP adjustments to operating income	(39)	218	179	131	489	(73)	(117)
Non-GAAP operating income (loss)	(19)	20	40	25	66	16	(84)
Amortization	191	171	170	162	694	164	163
Acquired amortization intangibles	(9)	(10)	(10)	(9)	(38)	(9)	(11)
Adjusted EBITDA	\$ 163	\$ 181	\$ 200	\$ 178	\$ 722	\$ 171	\$ 68

Reconciliation from GAAP net income (loss) to non-GAAP net income (Loss) and non-GAAP earnings (loss) per share

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
GAAP net income (Loss)	\$ 23	\$ (207)	\$ (148)	\$ 28	\$ (304)	\$ 68	\$ 51
Total Non-GAAP adjustments (after-tax)	(61)	214	178	15	346	(73)	(117)
Non-GAAP Net Income (Loss)	(38)	7	30	43	42	(5)	(66)
Non-GAAP Earnings (Loss) per Share	\$ (0.07)	\$ 0.01	\$ 0.06	\$ 0.08	\$ 0.08	\$ (0.01)	\$ (0.13)
Shares outstanding for Non-GAAP Loss per Share reconciliation	526,742	537,959	540,400	543,556	542,123	529,235	526,314

Non-GAAP revenue, non-GAAP loss before income taxes, non-GAAP net loss, non-GAAP gross profit, adjusted EBITDA and non-GAAP loss per share do not have a standardized meaning prescribed by GAAP and thus are not comparable to similarly titled measures presented by other issuers. The Company believes that the presentation of these non-GAAP measures enables the Company and its shareholders to better assess the Company's operating results relative to its operating results in prior periods and improves the comparability of the information presented. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. You are encouraged to review the Company's filings on SEDAR and EDGAR. The Company makes no commitment to update the information above subsequently.

AMORTIZATION AND RESTRUCTURING DETAILS

BlackBerry Investor Relations Pre-Tax CORE Charge Details

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
Cost of sales	\$ 12	\$ 10	\$ -	\$ 1	\$ 23	\$ -	\$ -
Research and development	41	19	4	6	70	2	-
Selling, marketing and administration	173	4	1	51	229	7	6
Total CORE charges	\$ 226	\$ 33	\$ 5	\$ 58	\$ 322	\$ 9	\$ 6

BlackBerry Investor Relations Pre-Tax RAP Charge Details

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
Cost of sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21	\$ 14
Research and development	-	-	-	-	-	13	14
Selling, marketing and administration	-	-	-	-	-	18	51
Total RAP charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52	\$ 79

BlackBerry Investor Relations Amortization of Intangibles and Property, Plant and Equipment Details

	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16	Q2 FY16
In cost of sales							
Property, plant and equipment	\$ 27	\$ 16	\$ 14	\$ 16	\$ 73	\$ 16	\$ 10
Intangible assets	83	80	82	78	323	83	86
Total in cost of sales	110	96	96	94	396	99	96
In operating expenses amortization							
Property, plant and equipment	33	28	27	23	111	20	22
Intangible assets	48	47	47	45	187	45	45
Total in operating expenses amortization	81	75	74	68	298	65	67
Total amortization							
Property, plant and equipment	60	44	41	39	184	36	32
Intangible assets	131	127	129	123	510	128	131
Total amortization	191	171	170	162	694	164	163

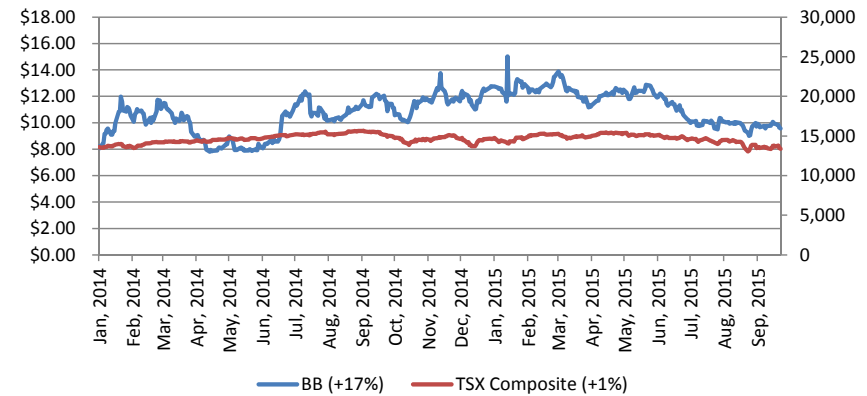
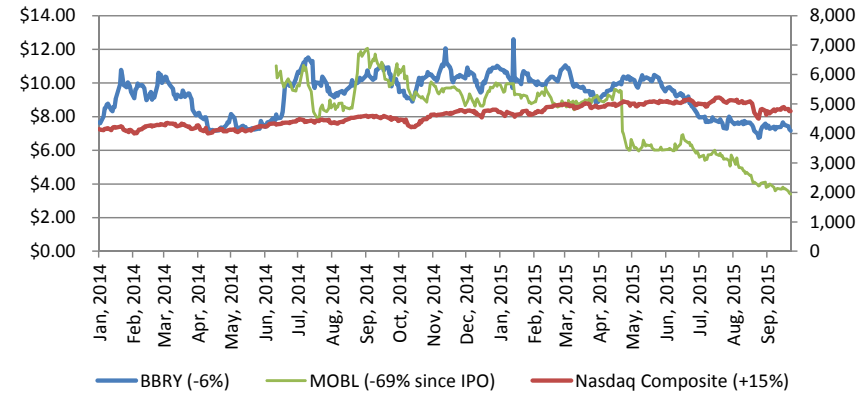
The information above is supplied to provide meaningful supplemental information regarding the Company's operating results because such information excludes amounts that are not necessarily related to its operating results. The Company believes that the presentation of these non-GAAP measures enables the Company and its shareholders to better assess the Company's operating results relative to its operating results in prior periods and improves the comparability of the information presented. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. You are encouraged to review the Company's filings on SEDAR and EDGAR. The Company makes no commitment to update the information above subsequently.

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BLACKBERRY STOCK

- BlackBerry's stock has outperformed TSX since the beginning of 2014
- Outperformed publicly traded EMM competition



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